

**BYLAWS OF THE
FRANKFORT CITY-COUNTY AIRPORT AUTHORITY
Frankfort, Michigan**

**ARTICLE I
PURPOSES**

Section A.

The Frankfort City-County Airport Authority (hereinafter referred to as the Authority) was formed for the purpose of planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating the landing, navigational, and building facilities necessary thereto.

Section B.

To run the airport in a safe, efficient, and prudent manner.

Section C.

To initiate and maintain rules and regulations for the operation of the Authority and the airport.

Section D.

To comply with all laws and regulations of the State of Michigan, including the Community Airports Act - Act 206 of 1957 and of the U.S. Government.

Section E.

To be organized and operated exclusively for the purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

**ARTICLE II
MEMBERSHIP**

Section A.

The membership of the Authority shall consist of the City of Frankfort, County of Benzie, Crystal Lake Township, and such other communities located wholly within the boundaries of Benzie County as shall join with the Authority at a later date.

Section B.

Any city, county, township, or incorporated village may become a member of the Authority upon resolution adopted by its governing body and acceptance thereof by resolution adopted by a majority vote of the entire governing body of the Authority.

Section C.

Any city, county, township, or incorporated village which is now or hereafter becomes a member of the Authority may upon request and upon resolution of its governing body, duly accepted by a 2/3 majority vote of the entire governing board of the Authority, be released from membership in the Authority. A county, city, incorporated village, or township may not be released from membership in the Authority until all outstanding obligations of the Authority that have been incurred after the time of the admission to membership of the county, city, incorporated village,

or township have been paid or adequate provisions have been made for the payment thereof. This obligation also applies to that part of prior obligations that may have been agreed to by the board and the governing body of the county, city, incorporated village, or township.

Section D.

Each county, city, incorporated village, or township which is a member of the Authority may voluntarily make an appropriation to the Authority annually for purposes the Authority deems appropriate.

Section E.

The Board of the Authority may raise by an ad valorem property tax, to be levied on the taxable property within Benzie County, a sum of money to be used to assist in the planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating the landing, navigational, and building facilities necessary thereto of the community airport authorized by this act. The tax shall not exceed 1.0000 mil on each dollar of the state equalized valuation. The ad valorem property tax shall not be levied unless approved by the majority vote of the qualified electors within the county voting thereon as provided in P.A. 1987, No. 153, MCL 259.62 as amended.

ARTICLE III
AUTHORITY BOARD

Section A. Appointments

The Authority shall be governed by a Board consisting of two (2) members from the City of Frankfort, two (2) members from Crystal Lake Township, and two (2) members from the County of Benzie to be appointed by their respective legislative bodies, and one (1) member appointed by a majority vote of the six (6) appointed members.

The respective legislative bodies and the Authority itself may appoint alternates to serve as board members in the absence of the regularly appointed member.

Section B. Terms

The appointed members may, but need not be, members of the legislative bodies thereof, unless so required by the respective governmental unit's resolutions. Members shall be appointed for four (4) year terms. Member's alternates shall serve terms commensurate with that of the primary member.

In the case of appointees serving from their respective governing boards, their term shall coincide with their terms of office on their respective governing boards.

Section C. Code of Conduct

Board members are expected to comply with this Code of Conduct which encourages the development of a spirit of collective decision-making, shared objectives, and shared ownership of and respect for board decisions. At all times Board members will conduct themselves in a manner that:

- Supports the objectives of the Authority and serves its overall best interests
- Brings credibility and good will to the Authority
- Respects principles of fair play and due process and gives fair consideration to diverse and opposing viewpoints

- Demonstrates due diligence and dedication in preparation for and attendance at meetings, special events, and in all other activities on behalf of the Authority
- Demonstrates good faith, prudent judgment, honesty, transparency, and openness in their activities on behalf of the Authority
- Keeps all board members, via the chair, fully informed regarding any and all communications with the public or governing agencies such as, but not limited to, MDOT or the FAA regarding any Authority business
- Avoids all real or perceived conflicts of interest
- Conforms with the bylaw and policies approved by the Board and in particular, this Code of Conduct, the Oath of Office, the Conflict-of-Interest Policy, and the Corporate Fraud Policy
- Demonstrates acceptance, respect, and support for decisions legitimately taken in transaction of the Authority's business

Violation of this code may be cause for disciplinary action.

Section D. Conflict of Interest Policy

At all times Board members shall act in the best interests of the Authority rather than in personal self-interests or the interests of constituencies. Board members will perform their duties while transacting the affairs of the Authority in such a manner that promotes public confidence and trust in the integrity, objectivity, and impartiality of the board.

The definition of Conflict of Interest is defined as follows:

- Board members are considered to be in a conflict of interest whenever he or she, members of his or her family, business partners, or close personal associates may personally benefit either directly or indirectly, financially or otherwise, from his or her position on the Board.
- Whether a conflict of interest is real, potential, or perceived, it is the duty of board members to disclose such conflicts before the board or its committees deals with the matter at issue.
- Full disclosure of a conflict of interest in and of itself does not remove a conflict of interest.

Board members with Conflict-of-Interest issues must abstain from participation in any discussion or vote on the matter and, unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.

Board members that participate in any legal action against the Board, its Board members, committee members, or employees will be considered to have tendered their immediate resignation from the Authority Board.

Section E. Oath of Office

At the beginning of a board member's or alternate's term in office, or at any time these by-laws are amended, he or she will acknowledge his or her understanding and agreement with the Code of Conduct by signing a copy of these by-laws. The signed copy of the by-laws will serve as an Oath of Office and a solemn pledge to abide by all Authority by-laws and policies in good faith. Copies signed by all Board members will be placed in the Authority's permanent files by the Secretary.

Section F. Disciplinary Committee

If a Board member violates or is suspected of violating the Code of Conduct, the Vice Chair will select two members of the Board to serve on an ad-hoc Disciplinary Committee which will investigate the infraction. The Disciplinary Committee will make its report to the board in Executive Session, a meeting in which all Board members may attend.

Section G. Disciplinary Action

After receiving the Disciplinary Committee's report, the Board may choose to take no action, move to issue a formal censure, or move to dismiss the board member who has been shown to have seriously violated the Code of Conduct.

If there is a motion to remove a member from the board for violating the Code of Conduct, it must win by a 2/3 margin in order to be carried. The Board member in question will not be allowed to participate in the vote. [The votes required to remove an individual from his or her appointed Authority board seat would equal $(n-1) \times 2/3$, where n equals the total number of board members (e.g. $(7-1) \times 2/3 = 4$).]

ARTICLE IV **OFFICERS AND DUTIES**

Section A.

The board shall elect annually a Chair and a Vice-Chair who must be members of the Board, and Secretary and Treasurer who need not be members of the Board. These elections are to be held at the regular Board meeting in July of each year. Newly elected officers shall take office immediately.

Section B.

The Chair, if present, shall preside over all meetings of the Board.

Section C.

The Vice-Chair shall perform the duties and exercise the power of the Chair during the absence or disability of the Chair.

Section D.

The Secretary shall cause to be kept a written or printed record of every meeting of the Board which record shall be public.

Section E.

The Board shall provide for a system of accounts to be adopted which shall conform to any uniform system required by law or regulation and shall also provide for the auditing at least once yearly of the accounts of the Airport by competent, certified public accountants. The Board shall require of the Treasurer a suitable bond by a responsible bonding company, such bond to be paid by the Board. The Treasurer shall report monthly to the Board on the funds under his or her jurisdiction in a form acceptable to the Board.

ARTICLE V **MEETINGS**

Section A.

The Authority shall hold regular meetings on a schedule set by the Board during its annual meeting in July. A majority of the appointed members shall constitute a quorum. The meeting location shall be 650 Airport Rd., Frankfort, Michigan 49635.

Section B.

The regular meeting in July shall be designated as the annual meeting of the Board.

Section C.

The authority shall hold Board meetings (either regular or special) at the call of the Chair or upon the request of three (3) members of the Board.

Section D.

The business which the Board may perform shall be conducted at a public meeting of the Board held in compliance with Act No. 267 of the Public Act of 1976, as amended. Notice of Public meeting dates for the following year will be posted at Benzie County, City of Frankfort, and Crystal Lake Township government offices within ten (10) days after the first meeting of the calendar year. Any changes to meeting dates or times will be posted within three (3) days after the meeting at which the change is made and notice of any special meetings will be posted at least eighteen (18) hours before the meeting.

Section E.

The Board shall keep a written or printed record of each meeting. This record and any other writing prepared by, owned by, used by, in the possession of, or retained by the Board in the performance of an official function shall be made available to the public in compliance with the Freedom of Information Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

ARTICLE VI **COMMITTEES**

Section A.

The Board may also appoint an executive committee consisting of the Chair and two (2) other members to carry on the active administrative duties of the Authority. Executive committee members shall hold office at the pleasure of the Authority Board.

Section B.

With the approval of the Board, the Chair shall appoint, by no later than the first regular meeting following the annual meeting, the following standing committees whose duties shall be as authorized. The Chair may appoint other standing or special committees with the approval of the Board.

SSL. Finance Committee: The finance committee shall consist of a minimum of three (3) members. The committee shall see to it that the budget is prepared for the approval of the Board not later than June 1st of each year. The committee shall closely supervise the accounting, auditing, and financial policies of the

Authority and shall make recommendations to the Board regarding rates, credit, and other financial matters.

SS2. Building, Equipment and Grounds Maintenance Committee: This committee shall consist of a minimum of three (3) members. It shall be the duty of the committee to have general supervision of and make recommendations for the maintenance of all buildings and grounds owned by the Authority and to see to it that the airport is maintained in good repair and in such condition that the airport can function efficiently.

Section C.

The Board may also appoint an airport advisory committee whose duty shall be to advise the Authority in regard to technical problems of airport operation with regard to state and federal policies.

ARTICLE VII
EMPLOYEES AND SERVICES

Section A.

The Board may employ directly or contract for the services of an airport manager. The manager shall have charge of the operation of the airport subject to such written rules, policies, and regulations as the Board may enact from time to time.

Section B.

The manager shall render reports on the operation and condition of the airport at the times and in the manner prescribed by the Board.

ARTICLE VIII
BUDGET

Section A.

Not later than June 1st of each year, the Board shall prepare a budget containing an itemized statement of the estimated current expenses and the expenses for capital outlay, including the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year or which have previously matured and are unpaid and an estimate of the estimated revenue of the Authority from all sources for the ensuing fiscal year.

Section B.

The Board shall adopt such budget as shall be deemed necessary and shall report the budget to the several political subdivisions for the purpose of requesting their respective budgetary appropriations.

ARTICLE IX
APPORTIONMENT

Section A.

In determining the fair and equitable share of each county, city, and township, the Board shall establish the ratio that the state equalized valuation of each for the year in which the appropriation is required bears to the total state equalized valuation for the year in which the appropriation is required of all the counties,

cities, and townships included in the Airport Authority and use the applicable ratio in determining the amount of appropriation requested from a political subdivision.

Section B.

No later than by the Authority's regular September meeting, the Board shall render a certified report of the operation of the airport covering the previous fiscal year to each participating county, city, township, and village. Each report shall state the condition of the finances, the amount of money expended, and the money received from all sources. The Board shall also file a copy of the report with the municipal finance commission together with any other information the municipal finance commission may require.

ARTICLE X
AMENDMENTS TO THE BYLAWS

Section A.

These bylaws may be revised or amended at any regular meeting of the Board provided that members of the Board have been advised at a previous regular meeting that changes in the bylaws are being contemplated and provided that no amendment shall be enacted that conflicts with any state or federal statute.

Section B.

Should the Chair of the Board or three (3) members feel that changes may be desirable, a special committee shall be appointed whose duty it shall be to prepare copies of proposed revisions or amendments. Copies shall be sent with proof of delivery requested or e-mail with acknowledgement of delivery, or hand delivered to each member of the Board. The proposed revision or amendments shall be adopted at the next regular meeting if approved by a majority of the Board members.

ARTICLE XI
INDEMNIFICATION OF OFFICERS, MEMBERS, AND EMPLOYEES

Section A. Suits and Administrative Proceeding other than Actions Brought by or in the Name of the Authority Board.

The Authority Board shall indemnify any and all board members, the volunteer committees, and volunteer officers who become a party or are threatened to be made a party to any pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the name of the Authority Board) by reason of the fact that he or she was a Board member, member of a committee, a volunteer officer of the Authority Board, or was serving at the request of the Authority Board as a member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney fees), judgments, fines, and amount paid in settlement actually, and reasonably incurred by him or her in connection with such actions, suits, or proceedings, if he or she acted in good faith in a manner he or she reasonably believed to be in or not opposed to the best interests of the Authority Board and further that with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section B. Means for Indemnification Under this Agreement.

The determination as to whether or not board members, the volunteer committees, and volunteer officers of the Authority is entitled to indemnification pursuant to this section shall be made as follows:

- a. By the Authority Board a majority vote of a quorum consisting of members who were not parties to such action, suit, or proceeding, or
- b. If a quorum is not obtainable, or if obtainable and the disinterested members so direct, by independent legal counsel in a written opinion.

Section C. Advance of Expenses.

Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section A. of this resolution may be paid by the Authority Board in advance of the final disposition of such action, suit, or proceeding as authorized in Section B. hereof upon the undertaking by or on behalf of the board members, the volunteer committees, or volunteer officers involved to repay such amount unless it shall be ultimately determined that he or she is entitled to be indemnified pursuant to the provisions of this resolution.

ARTICLE XII
PARLIAMENTARY AUTHORITY

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Authority in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Authority may adopt.

ARTICLE XIII
ADOPTION

When the bylaws have been revised or amended as outlined above, they shall replace any prior bylaws, rules, or regulations and shall become effective immediately.